

The Japan Times

‘Summer Davos’ Special

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(Clockwise from above) Aerial view of the Tianjin Railway Station surrounded by modern office and residential buildings in Tianjin, China, which will host the Sept. 10 to 12 World Economic Forum's Annual Meeting of the New Champions 2014; a panel at the Annual Meeting of the New Champions 2012 in Tianjin, China; Li Keqiang (left), Premier of the People's Republic of China stands with Klaus Schwab, Founder and Executive Chairman, World Economic Forum at the Opening Plenary of the Annual Meeting of the New Champions 2013 in Dalian, China; Participants move through the Meijiang Convention and Exhibition Center at the 2012 Annual Meeting of the New Champions in Tianjin, China. AP, WORLD ECONOMIC FORUM

# Olympic Games expected to provide economic stimulus

Minoru Matsutani  
STAFF WRITER

Expectations are high for the 2020 Tokyo Olympics.

Businesses cannot ignore the economic impact of sports. Japan will host "Sports and Culture Davos" in autumn 2016, in response to a proposal by the World Economic Forum, which organizes the Annual Meeting of the New Champions, dubbed "Summer Davos," where Japanese politicians and business executives are expected to outline the prospects of the economic effects on the country from the 2020 Olympics.

Since Tokyo won the bid to host the 2020 Summer Olympic Games last September, various think tanks have announced their estimates of the economic effects of the Olympics, with figures ranging from ¥3 trillion to ¥150 trillion.

Factors considered in calculating economic effects generally include stadium and venue construction; hotels and other facilities for athletes and tourists before and during the Olympics; consumption by tourists, the number of which has already shown a remarkable increase after the hosting announcement; and infrastructure building to prepare for the influx of foreign visitors. The estimates cover from the time Tokyo won the bid through the 2020 Games.

"Different organizations come up with different figures because of differing assumptions. The Mori Memorial Foundation's Institute for Urban Strategies based their assumptions heavily on the London Games," said Hiroo Ichikawa, an executive member of the institute who is also a professor of urban policy and the dean of Professional Graduate Schools and the Graduate School of Governance Studies at Meiji University.

Using London, which hosted the 2012 Olympics, as a model makes sense because London and Tokyo are both extensively developed cities, he said.

The Institute for Urban Strategies said in January it estimates the economic effects to be ¥19.4 trillion.

"I think it's a somewhat conservative

number. The more factors included in the estimate, the bigger the number," Ichikawa said. While the Tokyo Metropolitan Government announced the economic effects would be ¥3 trillion, Ichikawa's institute factors in more items than the government, which only considered effects directly related to the Olympics such as construction of the facilities to be used by athletes and others involved in the Olympics and the operating costs of the Games.

The thing that makes the largest contribution to the ¥19.4 trillion estimate is the so-called "dream effect," accounting for ¥7.5 trillion.

"The dream effect is big," he said. The dream effect, or an increase in consumption amid a big, uplifting event, has been observed in every city that has won the bid to host the Games, he said.

Japanese are known as money savers and conservative consumers. But the institute estimates they will use some of their savings to make purchases in the seven years leading up to 2020.

Consumption is expected to increase for high-resolution televisions, sporting goods and sports activities. Also, the number of people enrolling in English conversation schools will rise because people will be exposed to various international exchanges.

It may not be entirely realistic to compare with the 1964 Tokyo Olympics, but sales of TVs that year because the Games were the first ever to be broadcast in color. Things may be different now, but this demonstrates the Olympics can stimulate consumerism in people.

Other than the dream effect, the institute estimates the number of foreign visitors will rise.

On top of the Olympics contributing to a tourist increase, the government's initiative to make Japan one of the biggest tourist destinations in the world will also help boost the tourism industry.

As part of the growth strategies in Prime Minister Shinzo Abe's "Abenomics," the government is aiming to increase the number of foreign visitors per year to 20 million by 2020 and 30

million by 2030.

In 2013, the number was 10.36 million, according to Japan National Tourism Association, making the government's target seem ambitious. But the Olympic effect has already been observed as the number of foreign visitors from January to July is 26 percent higher than the same period in 2013.

The Olympics helps boost tourism as people want to see the city hosting the Games.

"It's possible the target of 20 million will be achieved around 2017 at this pace," Ichikawa said. The institute's official estimate is the same as the government's and it expects 10 million of the 20 million expected tourists will visit Tokyo, he said.

To accommodate an increase in the number of tourists, Tokyo needs more hotels.

In London, about 1,300 5-star hotel rooms, equivalent to about two Okura or New Otani hotels, and 45,000 standard hotel rooms, equivalent to 300 hotels with about 150 rooms each, were built between the announcement of London's hosting and the 2012 Games, he said.

Ichikawa's institute assumes the same will happen to Tokyo.

Hotel operators and real estate developers are expected to build hotels or expand the capacities of existing hotels. Such moves should also help lure international conferences to Tokyo, prompting reinforcements of tourism infrastructure, which will attract tourists, creating a synergetic cycle.

The number of flights at Haneda and Narita airports will also increase. The Ministry of Land, Transport, Infrastructure and Tourism has a plan to increase total arrivals and departures by 39,000 per year at Haneda from the current 447,000 and by 40,000 at Narita from the current 270,000 by 2020.

The ministry is in negotiation with municipalities and airlines to, for example, add routes above Tokyo's central and residential areas and take other measures to increase air traffic.

The Institute for Urban Strategies also



An illustration of the futuristic-looking Olympic Stadium, the main venue planned for the 2020 Tokyo Games AP

points out the acceleration of infrastructure construction with a view to catching up with the increasing demand caused by the Olympics is another of the Games' economic effects.

For example, construction on the Tokyo Gaikan Expressway, which now connects Tokyo's Nerima Ward with Misato, Saitama Prefecture, and is planned to stretch to Tokyo's Setagaya Ward in the west and Ichikawa, Chiba Prefecture, in the east, will be accelerated, Ichikawa said. Better road conditions will aid the transport of goods and people in an economy energized through preparation for the Games.

Inevitably, more jobs will be needed to support such construction and other various projects as the expectations of benefits from the Games stimulate the economy.

The institute estimates 1.21 million jobs will be created because of the Olympics, or about 170,000 new jobs a year.

As a way of filling the need, the government recently announced plans to loosen

regulations on accepting foreign workers.

However, construction is not the only area likely to see a shortage. Many white-collar positions will need to be filled as deregulation and Abenomics' growth strategies are expected to lure foreign companies, creating new jobs. Thanks to Abenomics, female workers as well as female leaders are expected to increase.

Ichikawa is optimistic the need for workers will be met as he expects the government's measures will help.

"After all, Japan has 2 million part-time workers. We will have enough people," he said.

The prospect for the economy looks rosy until 2020, but how about after the Olympics?

Athens hosted the 2004 Olympics and Greece went bankrupt. In Japan, the city of Nagano hosted the Winter Games in 1998, but demand shrank rapidly after the Games and the economy slowed, Ichikawa said.

However, London has had a com-

pletely different experience. Infrastructure refurbishment, an economy revitalized by reforms and other preparations for the 2012 Games made the city stronger in its economy, culture and many other areas, he said.

In the 2012 Global Power City Index, the ranking of global city "power" published yearly by the Mori Memorial Foundation, London surpassed New York to become the No. 1 city in the world, mainly because the British capital became stronger in the process of preparing for the Olympics. London was ranked first again in 2013. Tokyo was fourth after London, New York and Paris.

"I believe Tokyo will energize itself even more, like London did," he said.

A reinforced infrastructure will remain in Tokyo, which will continue to attract foreign businesses and tourists, he added.

In the end, Ichikawa hopes the government succeeds with deregulation to stimulate industry and attract foreign companies. For example, the government designated nine areas in Tokyo as Special Zones for Asian Headquarters in 2011 to attract foreign businesses by loosening regulations. The government's goal was to lure 50 new headquarters of foreign companies and 500 new foreign companies by 2016, but the target is far from met, he said.

In coming up with its estimate of the Olympics' effects, the Institute for Urban Strategies assumed the special zones are successful and they will keep attracting more foreign companies even after 2017.

Nonetheless, Ichikawa is optimistic about inbound tourism, saying Japanese hospitality will definitely be appreciated. He pointed out a survey of foreign tourists' impressions of Japan before and after their stay in Japan. "Good service" garners higher responses after their stay than before.

"The Olympics is the trigger for them to come to Japan. They will learn about Japan and keep visiting. That's our strategy," Ichikawa said.



‘Summer Davos’ special

Transforming the corporate mindset

Lixil Group head says leadership education key to global success

Sayuri Daimon  
STAFF WRITER

Yoshiaki Fujimori, president and CEO of Lixil Group Corp., believes a true leader must carry out two main tasks: implement innovative changes and educate the next generation.

His belief is heavily influenced by his former boss Jack Welch, one of America's legendary business executives who led General Electric Co. between 1981 and 2001.

A graduate of University of Tokyo's engineering department, Fujimori started his career in 1975 working for Nissho Iwai Corp., a trading house, which later became Sojitz Corp. He joined General Electric Japan at age 35 and became the first Asian to take a senior vice presidency position at GE headquarters in 2001.

"What I learned from Welch was that we must continue carrying out innovative changes. Once we become satisfied and stop innovating, we will cease to grow and soon we'll start falling," Fujimori said in a recent interview with The Japan Times.

After working with GE for 25 years, Fujimori decided to return to Japan to join Lixil in 2011. His decision came after Yoichiro Ushioda, a member of the founding family, asked him to take over the helm of the company. Since then, Fujimori has implemented bold reforms to transform what he calls a "super domestic company" into a truly global one.

Lixil, a major Japanese maker of metal building materials and plumbing fixtures, has grown rapidly with major expansions abroad through M&A activity in the past few years.

The company made American Standard Brands, a major American kitchen and bathroom fixture company, a wholly owned subsidiary in 2013. It also acquired an 87.5 percent stake, together with the Development Bank of Japan Inc., of Germany's GROHE Group, one of the world's leaders in luxury bathroom and kitchen fittings,



Yoshiaki Fujimori, president and CEO of Lixil Group Corp., talks to The Japan Times about leadership at the Lixil's head office in Tokyo in August. YOSHIAKI MIURA

earlier this year.

Lixil Group's sales have risen to more than ¥1.62 trillion in the business year ending in March 2014, up from ¥1.21 trillion at the end of March 2011.

"If you want to change society, you must change your company. If you want to change your company, you must change yourself. Unless you can change and reform yourself, you'll never be able to reform your company," said the 63-year-old president.

As an active international businessperson, Fujimori is one of several Japanese corporate executives who have become regulars at the Davos conference hosted by the World Economic Forum based in Geneva, Switzerland, in recent years. The Davos conference brings together top political, business and academic leaders every January to discuss global issues ranging from the economy to the environment to politics.

Comparing Japanese firms to foreign companies, Fujimori said there is

a stark difference in their corporate cultures.

"Japanese companies don't value diversity. It's not a pillar of Japanese companies. But at GE, I found an environment where I can compete freely regardless of nationality and skin color," he said. "Lixil has the three basic principles: diversity, equal opportunity and meritocracy."

Fujimori, who will also attend the upcoming Annual Meeting of the New Champions 2014, dubbed "Summer Davos" in Tianjin, China, laments that Japan lags behind emerging Asian countries, such as China and Singapore, in terms of adopting those principles.

"Unless those three principals are rooted in our company, we will never be a global company, and foreigners who come to work for us will not truly be part of our company."

With a smile, he said he is implementing reforms at his company at a much faster pace than Prime Minister Shinzo Abe's national reforms. Under

his growth strategies, better known as "Abenomics," the prime minister has pledged to raise the proportion of women in leadership positions to 30 percent by 2020 and deregulate politically sensitive industries.

Lixil Group, according to Fujimori, is moving forward to be more diverse by introducing further numerical targets. For example, 30 percent of new employees should be women and 30 percent of those who got promoted should be women. He also said that one of its 15 executive operating officers is a woman.

"If we continue this way, we'll be able to hit the 30 percent goal," he said.

Welcoming Abe's vow to become the "drill bit" to break through the "solid rock" of vested interests blocking reform, Fujimori said Japan, which played leadership musical chairs for a long time, now has a better leader who can show direction for the future.

But Fujimori feels the Abe government still needs to hammer out comprehensive measures to tackle issues involving people, such as nurturing globally competitive Japanese and dealing with the declining population.

"Japan doesn't have an environment which can produce globally competitive people," he said.

Recalling when he first moved to GE in his 30s, Fujimori said he was full of confidence that he would win over his American colleagues because U.S. companies offer equal opportunities to people from different countries to work without discrimination.

"But on my very first day, I felt there was something I lacked. That was leadership. In school or at work in Japan, I never had a chance to think about leadership and never received leadership education," said Fujimori, who received his MBA from Carnegie Mellon University in 1981.

That came as a shock to Fujimori and, after realizing his shortcomings, he embarked on a journey to improve himself to become a better leader, he said.

"Unless you start thinking about leadership and try to gain the necessary qualities as a leader, you can never grow as a better leader," he said. "I also realized that was what Japanese people lacked. So, providing



Prime Minister Shinzo Abe (third from left, front row) poses for a photo along with participants of the 19th International Conference for Women in Business in Tokyo on July 13. Viewing women as a crucial force necessary to save Japan's teetering economy, Abe is encouraging companies to try to promote women to 30 percent of leadership positions in all industries by 2020. KYODO

leadership education will enable Japanese people to be more competitive in the global market."

Just like Darwin's theory of evolution, Fujimori is convinced that those who will survive in a rapidly changing world are the ones who can adapt themselves to a new environment.

"We need to think about how to survive 30 years and 50 years down the road. What do we currently need to do to survive in the future?" he asked.

According to Fujimori, what Japan should do now is to declare it will become a truly bilingual nation in 30 years. Despite long years of English education,

not many Japanese feel comfortable communicating in English.

"It's not just a matter of people being able to speak English or English education being introduced at schools," he said.

"A bilingual nation means a bilingual brain. A bilingual brain means a bicultural brain. If Japan can nurture such people, those people will actively speak about Japan in the international community. If there is such a group of people at Davos and in the world, they will definitely help boost Japan's presence," he said. "I'm sure those people will become an engine to change Japan."

## Meeting the challenge of diversity

Atsushi Kodera  
STAFF WRITER

The latest views on the new roles of leadership and the changing issues leaders are facing are two of the themes that entrepreneur Yoshito Hori is keen to check on at this year's Summer Davos conference.

The dean of Globis Management School and managing partner of Globis Capital Partners will participate in the Swiss-based World Economic Forum's international conference, formally called the Annual Meeting of the New Champions 2014, taking place through Friday in China's Tianjin.

"Summer Davos is a place where people actually causing a shift (in views on leadership roles) will gather. ... I want to see what changes are taking place, and how participants resonate with new ideas that may come up," Hori said.

Since 2002, Hori has frequently joined WEF meetings, participating in the Summer Davos six times, joining in discussions on improving the state of the world among business, political, academic and other leaders of society.

The WEF saw a common issue emerging in recent years through discussions at its about 80 Global Agenda Councils, each of which focuses on a specific theme from climate change to education to the future of manufacturing and justice.

The issue was the dysfunction of leadership in solving problems, according to Hori.

In response, the WEF launched the Global Agenda Council on New Models of Leadership in 2011 to discuss "a series of evolving factors that are affecting the way companies and public organizations operate, as well as how leaders of those institutions are equipping themselves to respond to those changing parameters," according to the WEF.

Hori, who has joined the council's discussions along with the likes of U.S. psychologist Daniel Goleman and Lynda Gratton, professor of management practice at the London Business School, sees several important factors that have rendered what used to be a functional leadership dysfunctional.

Among them is a growing use of mobile Internet devices such as tablet computers and smartphones. These devices enable people to watch major incidents as they develop, in near real time.

"When the reactor housing exploded at the Fukushima No. 1 nuclear power plant, everyone saw it in online video as soon as it happened, and they wanted



Yoshito Hori, the founder of GLOBIS

to know the answer to their question: 'What's going on?'" Hori said. "But the government leadership ran into trouble because it didn't have the functionality or capability required to address such a demand."

Another factor presenting difficulty to leaders is an increasingly diversified

### ‘Leaders are now required to recognize values of their subordinates and coordinate them.’

YOSHITO HORI

society, which requires leaders who may have been once able to act on a single value system, to bring together people with diverse values, according to Hori.

"Leaders, too, are now tremendously diversified. The leader of the United States is African American. A key leader in Europe (German Chancellor Angela Merkel) is a woman. The World Bank president is South Korean ... and the CEO of Microsoft Corp. is Indian," Hori said. "Leaders are now required to recognize the values of their subordinates and coordinate them."

Leadership-related issues fascinate Hori, for whom creating the ideal leader is a long-running pursuit ever since 1992 when he jumped ship from Japa-

nese trading giant Sumitomo Corp. to start a humble school operating out of a small Tokyo apartment.

That school would become the present Globis group of companies, which now operates an accredited business school on five campuses in major Japanese cities and manages venture capital funds with ¥50 billion in assets under management.

Hori developed his own vision of the ideal leader as he has kept asking himself what his role should be as he led his company in its rapid growth.

Hori outlines his vision in a July 8 LinkedIn article in English, paradoxically titled, "The Best Leaders Do ... Nothing." In the article, which has attracted over 50,000 views, he compares his ideal leadership role to a saying that the best leader is the leader "who does nothing," which he attributes to ancient Chinese thinker Confucius.

The article argues Confucius is intentionally provocative, and states: "I think he (Confucius) meant that the best thing for a leader is to create a well-structured, well-trained and fully functioning organization and then get out of the way and let other people get on with their jobs."

But the article also adds the leader should be "always ready to step out of the shadows and assume direct control, communicating the necessary message of change and transforming the business model until the crisis has passed."

"What I mean by 'do nothing' is that by leaving much of the work to others in your organization, you can expect it to grow stronger. You as the leader have to wait until your staff learn to do what you can actually do yourself," Hori said. "If you allow time for that, the capabilities of your organization will increase."

Hori also recommends the leader use the extra time gained to engage in activities that contribute to the betterment of society.

For Hori, one such undertaking is G1 Global, a Davos-inspired gathering of leaders from government, business, academia, art, sports and the media in which they discuss challenges facing Asia and the world and to make commitments to create and innovate societies.

The next conference, tentatively titled "Japan in 2020: Boosting Innovation and Dynamism" will be held on Sept. 15 at Globis University Tokyo. Planned speakers include such luminaries as economist Heizo Takenaka, The Economist Tokyo Bureau Chief Tamzin Booth, and Glen Fukushima, a senior fellow at the Center for American Progress in Washington D.C.

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# 'Summer Davos' special

## Suzuki promotes Mie Pref. globally

Minoru Matsutani  
STAFF WRITER

Mie Gov. Eikei Suzuki, selected as a Young Global Leader by the World Economic Forum this year, is trying to promote his prefecture on the global stage. He has visited 10 countries in Asia, Europe and the Americas since he took over the prefecture's top position in April 2011, to discuss economics, academic collaborations, exchanges and other subjects.

"Mie Prefecture has the highest growth potential in Japan. It also has Ise Jingu Shrine, the origin of Japanese spirit. I use those sales points to promote Mie to the world," Suzuki told The Japan Times at the prefecture's satellite office in Tokyo.

Regarding growth potential, Suzuki referred to a report by the Japan Center for Economic Research, released in March, revealing that Mie has the highest expected economic growth among the country's 47 prefectures from 2011 to 2025. Aichi Prefecture holds second place and Ishikawa Prefecture was ranked third.

Mie is home to many large factories, including those of Honda Motor Co., Toshiba Corp. and Sharp Corp. This places Mie very high among prefectures in terms of the monetary value of shipped manufactured goods.

Suzuki's overseas visits have yielded concrete results such as signed memorandums of understanding with states, cities and provinces of other countries.

Last month, Mie Prefecture and Washington State signed a Memorandum of Understanding on various industrial collaborations, including in the aerospace, life sciences and information technology industries.

In the aerospace sector, Washington State is the home of Boeing and many manufacturers of mechanical parts used in aircraft are based in Mie. For example, Mitsubishi Heavy Industries Ltd. has chosen its factory in the prefecture to build the vertical and horizontal tail fins of its next-generation Mitsubishi Regional Jets.

"In the field of aircraft manufacturing, making it lighter is the never-ending theme. Mie can offer that technology, giving us a win-win relationship," Suzuki said.

In life sciences, the University of Washington is renowned for its focus on primary care and nursing in the U.S., while Mie Prefecture has been designated as a special innovative zone to collect big medical data of residents, Suzuki said.



Mie Gov. Eikei Suzuki talks to The Japan Times at the prefecture's Tokyo office in August. YOSHIKI MIURA

He also helped to facilitate an agreement in joint research on environmental technology between Mie University and Fraunhofer, a world-renowned research organization based in Germany.

Suzuki has also been successful in building a close relationship with Taiwan, which sends many tourists to Mie. Thanks to his efforts, in May last year, the Japan-Taiwan Tourism Summit was held in the city of Shima in the prefecture, bringing together members of the tourism industries of Japan and Taiwan.

The amicable relationship stems from various exchanges. In February last year, Mie became the first Japanese prefectural government to exhibit lanterns in the annual Taiwan Lantern Festival, organized by the Taiwan Tourism Bureau. Mie exhibited ninja and *ama* (female divers) lanterns to promote Mie.

The Iga district in Mie is the birthplace of ninja, and Mie boasts 1,000 registered *ama* (female divers), accounting for half of the *ama* in Japan. *Ama* in Mie dive for Japanese *ise-ebi* spiny lobsters and other marine products.

Suzuki is not interested in simply entering into sister city agreements that are often little more than just gestures.

"I consider myself the CEO of Mie Prefecture Inc. I don't want to make pacts just for friendship. I want to bring Mie to the global stage and bring profits to Mie," Suzuki said.

"Our job is to lower the hurdles for companies in Mie to do business with foreign counterparts by way of exchanges and diplomacy," he said.

Suzuki also promotes tourism in Mie to the world, focusing on Asia, and he is planning to visit Thailand and Malaysia this fall.

The two countries are "big markets" for Mie tourism, Suzuki, who plans to meet many travel agencies and other travel-related companies during his visits, said.

Visitors from Malaysia are on the rise. The number of Malaysians who visited Japan rose by 50 percent from 2012 to 2013. The corresponding number was 67 percent for Malaysians who visited Mie Prefecture, Suzuki said.

Asked about the strong points of Mie tourism, the first thing he cited was Ise Jingu Shrine, Japan's foremost Shinto shrine, which underwent a partial rebuilding last year, something that happens every 20 years.

Suzuki also cited Suzuka International Racing Course, or Suzuka Circuit for short, a motorsport race track that hosts

prestigious international races. It is located in Suzuka, Mie, and operated by Mobilityland Corp., a subsidiary of Honda Motor Co.

Ise-ebi and Matsusaka beef are "the top two" foods Mie is known for, while Mikimoto Pearl Island in the Prefecture is the origin of Mikimoto Pearl. On the Pacific coast of Mie, there are "ama cottages," which serve ise-ebi, abalone, fish and other seafood freshly caught by ama.

Mie also has high percentage of foreign residents. With a total population of 1.85 million, the prefecture has about 41,000 registered foreign residents, ranking it the third highest ratio of foreign residents in Japan's 47 prefectures.

He would also like to attract direct investment from overseas as Mie has many small and midsize high-tech enterprises and the nation's greatest growth potential.

Among Suzuki's outstanding achievements are his measures to tackle the declining birthrate.

The ideal number of children for a couple in Mie Prefecture is 2.5, while the actual number is 1.7. Suzuki, who took 3½ days of "quasi" paternity leave in July 2012, has encouraged male employees of the prefectural government to also take paternity leave.

The ratio of men taking paternity leave in the prefectural government had been about 5 percent, and Suzuki last year set a goal of increasing that to 10 percent by March. The government undertook measures to encourage paternity leave and the figure ended up at 13 percent in March.

In another move to tackle the declining birth rate, Mie began subsidizing fertility treatment for men in April, making it the first prefecture to do so.

Currently, about one in six couples are receiving fertility treatment, but in Japan it is mainly women undergoing treatment, Suzuki said. Meanwhile, the World Health Organization said men contribute to infertility in 48 percent of the cases, with men being the sole cause in 24 percent of cases and both men and women contribute to infertility in the other 24 percent of cases.

"Globally, both men and women go to hospitals for fertility treatment. Only in Japan do women go alone most of the time," he said.

Suzuki's push for men to have subsidized fertility treatments has caught on in both Fukui Prefecture and the city of



(Above) Ise Jingu Shrine, the center of sightseeing in Ise City, Mie Prefecture, is visited by almost 7 million people from all over the world every year. (Right) Succulent, high-quality Matsusaka beef is one of "the top two" foods, along with ise-ebi spiny lobsters, Mie Prefecture is known for and is also one of the most famous beef brands within Japan and internationally. JINGU SHICHO, MIE PREFECTURE TOURISM FEDERATION



Urayasu in Chiba Prefecture.

"On measures to tackle the declining birth rate, Japanese men have had the mentality that it's a women's job. I think that is one of the main reasons for the declining birth rate," he said.

Suzuki said he can do many small things that will eventually change the culture and people's mentality.

"And that's the most important job as a leader," he said.

Asked what he thinks of being selected as a Young Global Leader, he said, "Leaders, especially politicians, can easily become a big fish in a little pond. Therefore, being in a global community such as this and having an opportunity to add to my value is great."

"I want to expand my views as a politician and continue to send the message to the world that Mie's economy has great potential."

### Young global leaders focus energy and knowledge on better future for all

The Forum of Young Global Leaders (YGLs), created in 2004, is a unique community formed by the most exceptional leaders from every region of the world and every stakeholder in society. These honorees have committed their energy and knowledge to the most critical issues facing humankind. Already successful and accomplished in their own fields, they join and create a community of insight and action that is truly committed to improving the state of the world. The YGL community is the voice of an optimistic future and an energetic catalyst for change.

The Forum of Young Global Leaders has established a comprehensive selection process for identifying and selecting the most exceptional leaders 40 years of age or younger. Every year, thousands of candidates from around the world are proposed and assessed according to rigorous selection criteria. Only the very best candidates are selected and all efforts are extended to create a truly representative body. Reflecting the diversity of stakeholders, the Young Global Leaders include leaders from politics, business, civil society, academia and arts and culture from across seven geographic regions. Together, they form a unique community that can dramatically affect the lives of future generations and craft innovative responses to address global and regional challenges. It is a support system that questions, and constantly pushes its members to not only do more, but to be more, too.

This year's class of YGLs come from 66 countries and equally represent the public and private sectors. Out of the total 214 YGLs honored, 109 are women. Bold, brave, action-oriented and entrepreneurial, these select individuals have proven their commitment to making the world a better place. From Japan, seven outstanding people have been chosen to be part of this remarkable community.

**Iwao Aso**  
(Group Chairman of ASO Corporation)

After earning a bachelor's in Economics at Keio University in 1997, Aso entered the Long-Term Credit Bank of Japan. In 1999, he went to the U.K. to study international relations at the University of Cambridge, returning in 2000 to join ASO Corporation as an auditor, becoming director in 2001.

In 2005, he was assigned as an independent director of Dwango Co., one of the leading telecommunications and media companies in Japan. Since 2011, he has served as the Group Chairman of ASO Corporation.

**Ken Endo**  
(Researcher at the Sony Computer Science Laboratories, Inc., Xiborg founder)

While many people have started preparing Tokyo for the 2020 Olympics and Paralympics, engineer Ken Endo has been working to help Paralympic athletes sprint to the finish line. Starting when he was a doctoral student at MIT, and now at Sony Computer Science Laboratories in Japan, Ken works on robotic prosthetic legs. By reducing the number of motors and increasing the use of springs in the prosthetic legs, Ken hopes to develop prosthetic legs that function as well as real ones.

**Keisuke Goda**  
(Professor of Physical Chemistry at University of Tokyo)

Goda's research has focused on the development of innovative technologies such as novel methods, devices, and instruments for a diverse range of scientific, industrial, and biomedical applications. His goal in teaching is to educate and produce global leaders who will shape science, industry and medicine in the 21st century.

Goda served as Co-Chair of Los Angeles Chapter of IEEE Photonics Society from 2007 to 2011. He was also Founding Chair of the Southern California Japanese Scholars Forum. His work has been featured in the media, including Nature, BBC, Wired Magazine, TIME Magazine and others.

**Kentaro Ichiki**  
(Creative Director of Hakuodo Inc.)

Ichiki is comprehensively in charge of advertising production of TV commercials and media development, product development and planning business strategies based on management problems of clients. He has successfully built brands in numerous fields, including cars, household appliances, games, cosmetics and dining both domestically and overseas. Now he also serves as the editor-in-chief of "KOH-KOKU" Magazine published by Hakuodo.

On the occasion of being selected as a YGL, Ichiki said "I am pleased to serve as a bridge between art and science, marketing and design, and technology and emotion, to discover new ways of storytelling for the world."

**Tonni Agustiono Kurniawan**  
(JSPS Postdoctoral Fellow, Institute for the Advanced Study of Sustainability at United Nations University)

Tonni Kurniawan is an Associate Professor at the Xiamen University in China. Prior to joining the university, he was a scholar at the United Nations University Institute of Advanced Studies of Sustainability in Tokyo. His research focuses on wastewater treatment and water purification, specifically the applications of water technologies to remove heavy metals from contaminated water. His work seeks to capture water directly from non-traditional sources such as municipal wastewater and restore it to near drinking water quality using low-cost absorbents to remove pollutants. Recently, Kurniawan has been identified by the Institute for Scientific Information-Thompson Reuters among the top 1 percent of researchers in the field of engineering.

**Soichiro Minami**  
(Founder and Chief Executive Officer of BizReach)

Swimmy Minami is the Founder and CEO of BizReach, Inc. which has launched a series of industry changing online services, including BizReach, LUXA, RegionUP and others. BizReach is now the premier online professional networking service for career-driven professionals and talent seeking employers in Japan.

LUXA is a discovery e-commerce site focused on empowering consumers to find unique products and experiences. It offers its members a selection of merchandise, including electronics, apparel, food, lifestyle items and the best in home decor and entertaining essentials.


Before founding BizReach, Swimmy was a founding member of the Rakuten Eagles, the first Japanese expansion baseball team in 50 years.

**Eikei Suzuki**  
(Governor of Mie Prefecture)


Suzuki was employed by the Ministry of Economy, Trade and Industry (METI) in 1998. Suzuki worked as a member of Shinzo Abe's staff during Mr. Abe's first term as Prime Minister (2006), leading work on education reform and environmental issues.

When he was 36 years old, he was elected as the governor of Mie, becoming the second youngest governor in Japanese history. Currently 39 years old, he is the youngest prefectural governor currently in office. He raised Mie's medium-term economic growth rate to become the highest of the nation's prefectures.

Suzuki is also a member of the Fertility Crisis Taskforce.



**Yoshito Hori**  
*President, GLOBIS University  
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‘Summer Davos’ special

Ranking restaurants, food a centuries-old tradition

Makiko Itoh  
SPECIAL TO THE JAPAN TIMES

When it was announced some years ago that the Michelin Guide had awarded more stars to restaurants in Tokyo than any other city it covered, it made international headlines. But rating and ranking restaurants in Japan is nothing new. In Tokyo and in Japan in general, people have been writing about and hotly debating the relative merits of eating establishments and the food they serve for centuries.

The basics of Japanese cuisine (*washoku*) as we know it today started to take shape during the Muromachi Period (1392-1573). Public eateries, mostly stalls set up near popular shrines and temples catering to worshippers, are first mentioned during this time.

But it wasn't until the Edo Period (1603-1867), when the nation became relatively peaceful and prosperous under the rule of the Tokugawa Shogunate, that the restaurant and hospitality business really took off. By the early 18th century the population of Edo had reached one million (as a comparison, the population of Paris at the time was about 550,000). It's estimated that around 30 percent of the residents of Edo were single men; these included samurai who were sent to Edo from their home regions on temporary assignment, ronin and men from the merchant and artisan classes who came to Edo to look for work and seek their fortune.

Since these men often lacked the facilities or the skills to cook for themselves, numerous establishments sprang up around town to cater to their needs. Many were the forerunners of the fast-food restaurants of today, serving quick meals to busy people on tight budgets. Sake was served all day along with big bowls of white rice. Three of the major foods that represent Japanese cuisine to this day — sushi, tempura and soba noodles — became widely popular and all got their start as quick, cheap food served from stalls or casual no-frills eateries in Edo.

As time passed and the dining scene in Edo became ever more sophisticated, entertaining guests at elegant restaurants called *ryotei* became fashionable among well-to-do samurai and merchants. A mid-level samurai who was in the employ of the shogunate or a regional lord typically spent about 25 percent of his income treating guests, so knowing the right places to go and the right dishes to order was very im-

portant.

By the early 19th century, booksellers in Edo, who were also the publishing houses of the day, were issuing booklets or paper sheets with restaurant rankings every year. These were usually presented as *banzuke*, the way sumo wrestlers are ranked; restaurants or their signature dishes were listed as “grand champion,” “champion” and so on. Highly ranked establishments would be swamped with business soon after a new listing came out, and the validity of the rankings themselves were hotly debated.

The interest in ranking restaurants was not limited to Edo; similar lists were issued in Kyoto and Osaka too. Rankings were also put out for single food items such as confectionery or pickles as well as the best rice growing regions, sake, the tastiest fish dishes for each season and more. Naturally certain brands became more desirable due to their ranking.

A newly appointed government official found himself in hot water in the late 18th century, when it was discovered he had served a cheaper brand of *yokan*, a sweet, dense bean jelly, rather than the Grand Champion brand of the time, Suzuki Tango. He was forced to prostrate himself in shame in front of outraged guests, who were also his colleagues and superiors, for this insult.

The Edo Period also saw a big increase in travel - at first just for official business, but later for pleasure as well.

While traveling was strictly controlled by the government, it wasn't impossible by any means. In the early 19th century, making a pilgrimage to Ise Jingu Shrine in current day Mie Prefecture became very popular amongst the citizens of Edo as well as the other cities and towns along the Tokaido, the heavily trafficked road from Edo to Kyoto. Much like the pilgrimages to Santiago de Compostela or Canterbury that were popular in Europe, the Ise Shrine pilgrimage was often just an excuse to get the proper travel documents, the equivalent of passports today.

It wasn't long before travel guides were published that noted the various “can't miss” regional specialties to be enjoyed by the knowledgeable traveler at the *shukuba* or rest stop towns along the Tokaido, as well as other busy roads such as the Nakasendo. Shukuba businesses enthusiastically marketed their local cuisine to entice people to stay in their town rather than one down the road. A few shukuba towns



(Above) A *sugoroku* board game produced around 1850, depicting several famous restaurants and food establishments in Edo and their signature dishes. (Right) Narai-juku in Nagano Prefecture was a station on the old Nakasendo route. It has been carefully preserved to look much as it did in the Edo Period. NATIONAL DIET LIBRARY, MAKIKO ITOH

such as Narai-juku in Nagano Prefecture, a stop on the Nakasendo, have been carefully preserved and still look much as they did in the 18th or 19th centuries.

A 21st century trend in food tourism is a throwback of sorts to that time. Many regions around the country are using *B-kyu Gotochi Gurume* (B-class regional gourmet) - casual, inexpensive local cuisine - to attract tourists. One of the most successful B-class dishes is the *yakisoba* (stir-fried noodles with a Worcestershire sauce-like sauce) made in Fujinomiya in Shizuoka Prefecture. While the town has other attractions such as stellar views of Mt. Fuji, it's the noodles that draw devoted fans to Fujinomiya in droves.

Ramen, another dish that established itself in the early 20th century in Japan via China, is typical of B-class regional gourmet food; inexpensive yet made with care, with numerous regional variations to try



and compare.

Much of modern Japan looks nothing like it did in the 18th or 19th centuries, especially Tokyo. However a surprising number of businesses that were established in those bygone days still exist, many run by the same families, especially in food-related businesses.

The oldest traditional or *wagashi* confectioner in Japan, Shiose, was established in 1349 in Nara, and then operated in Kyoto for a few centuries before subsequently moving to its current location in Nihonbashi, Tokyo. One of their signature sweets was used as an offering to the gods by Ieyasu, the first Tokugawa Shogun, before an important battle in 1575. While businesses more than 650 years old are rare, there are numerous restaurants and other food-related businesses that were founded in the 18th through early 20th centuries in Tokyo and throughout Japan.

**Q3. How did you promote sake to Chinese people? How are sales in China? How about the reputation in China?**

Sake in China is mainly consumed in Japanese restaurants. Our main sales activity is to sell Asaka sake produced by Tianjin Nakatani Brewing. The penetration ratio of Asaka in Japanese restaurants is the best advertisement. Besides restaurants, supermarkets and department stores, including Aeon, and online shops are also sales channels.

My company accounts for a quarter of the sake market in China, while Japanese imports account for another quarter.

The brewery in Tianjin has a wholesale subsidiary, which imports “Naragin” sake from Nakatani Brewing Co. in Japan, as well as sake from other breweries such as “Hakushika” sake from Nada, Hyogo Prefecture; “Nikaido” *shochu* (distilled sake) from Oita Prefecture; and “Satsuma Muso” and “Kikajima” *shochu* from Kagoshima Prefecture. Tianjin Nakatani Brewing is the exclusive distributor of the four brands in China.

**Q4. What is your goal?**

Since there are no specific manufacturing standards for sake in China some manufacturers are selling synthetic sake as pure sake. Because the cost of synthetic sake is low, they can sell it cheaper than pure sake. Although synthetic sake is gain-

ing market share in China, I'm not going to give up, and I'm going to continue to spread genuine sake, especially *junmaishu* (pure rice sake), made to Japanese standards, in China.

Visiting these old establishments is a heady combination of history and delectable flavors.

The interest in reading, writing and talking about food continues to this day. It's practically impossible to avoid shows about food and eating out on Japanese TV, and magazines and books about food and eating out are still very popular.

Nowadays the hottest restaurant rating action is on the internet, where thousands of restaurants are reviewed in detail on sites like Tabelog and Gurunavi, as well as on blogs and social networks.

While the technology has changed, the passionate interest in seeking out the best restaurant or dish as well as talking about it, is an important part of Japan's cultural heritage. And it's this passion that continues to spur on the producers of food to do their best, and makes dining out in Japan so rewarding.



Ramen became popular in the 20th century. With many regional differences, it is typical of B-class local gourmet food. This one is from Hakata in Fukuoka Prefecture. MAKIKO ITOH

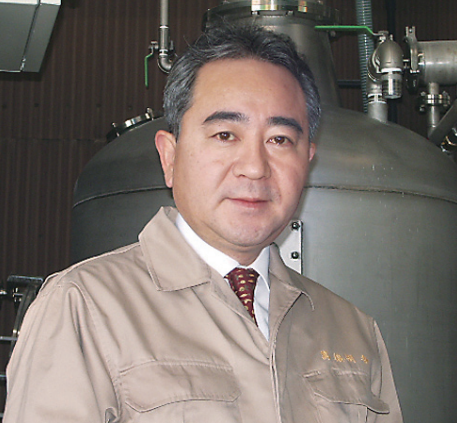
Blazing a trail for Japanese sake in China

Masato Nakatani is the sixth-generation head of Nakatani Brewing Co. in Nara Prefecture, and one of the most outstanding figures involved in developing the worldwide sake market. Nineteen years ago, Nakatani began brewing sake in Tianjin, China, and the high-quality “Asaka” sake enjoys nearly the top share of China's sake market. As a representative example of sake, Asaka will be served at the Japan Night event, part of the World Economic Forum Annual Meeting of New Champions to be held from Sept. 10 to 12 in Tianjin, China.

**Q1. Can you tell us why you wanted to make sake in China?**

When the *toji*, or sake brewing master, of Nakatani Brewing Co. came over in the autumn of 1994 to discuss the sake brewing season, which begins in autumn and ends in spring, I heard that there were sake makers in China from him.

I had left a trading company, Kanematsu Corp., the previous year and although I was studying for the bar exam, I became interested in making sake in China. My job at Kanematsu was helping Japanese manufacturers build factories overseas and I thought I could use the experience. Also, I thought I could be successful in the sake



Masato Nakatani

industry that was in a slump at the time.

An optimal place to make sake in China would be a place with high-quality rice and cold winters. While scouting locations, I met Li Hengqi, the manager of the city of Tianjin's office in Osaka and decided to make sake in Tianjin.

In January 1995, I established Tianjin Nakatani Brewing Co. and began preparing to brew sake. Li resigned from the Tianjin government and became vice president of Tianjin Nakatani Brewing.

**Q2. Can you tell us about the difficulties you encountered in making sake and operating a company overseas? How did you overcome them?**

If I had created a joint venture with a Chinese company, I would have been forced to hire employees accustomed to working for state-run companies under the communist system. To avoid that, I established Tianjin Nakatani Brewing as an affiliated company of a 100-percent foreign-capital company.

In order to counter the poor reputation of Chinese products, I decided to brew pure-rice *ginjo* sake, a type brewed with particular care.

As there were no veteran sake brewers in China, I set up a system to manage the company with specific numerical instructions and brought in the latest equipment from Japan to support such a system.

There were no trustworthy wholesalers in China, which has only recently begun shifting from communism to capitalism. To get around this, I established sales offices in Beijing, Dalian, Shanghai, Guangzhou and other cities. In other words, I created my company's own sales channels.



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Nihonbashi: Historic and modern

Nihonbashi is a business district in Chuo Ward, Tokyo, which grew around the bridge of the same name which has linked the sides of the Nihonbashi River since the 17th century. It is an area where people can experience the fusion of both historic and modern Japan.

At the end of the Tokaido and Nakasendo roads to Edo, the area grew as a major trading center and cultural hub and there are shops and theaters in the area giving a glimpse of that history. Although there is excellent food nationwide, Nihonbashi is home of a number of famous, well-established shops that have been standing for more than 100 years. Its early development is largely credited to the Mitsui family, who had their wholesaling business in the area and built Japan's first department store, Mitsukoshi, there. In later years, Nihonbashi emerged as Tokyo's (and Japan's) predominant financial district and is home today to the Tokyo Stock Exchange, the Bank of Japan and many other major businesses.



Soba is one of three major foods, along with sushi and tempura, that represent Edo Period cuisine. All three remain very popular and there are many soba restaurants in Nihonbashi today. MAKIKO ITOH